

Settlement has been reached on the December US orthoxylene contract at 20.5 c/lb, down 0.25 c/lb from November, and the initial nomination for January made at 23.0 c/lb. Producers are concerned about supply early in Q1 2003, with all three producers scheduling maintenance activity from January. A recent trader spot transaction was concluded at \$440/ton or just under 20.0 c/lb.

Despite ever lower numbers being mentioned for orthoxylene spot business in Rotterdam over the past month, with prices being talked at \$400-405/ton fob by the first week of December, early in the second week a deal was done at \$427/ton cif Rotterdam.

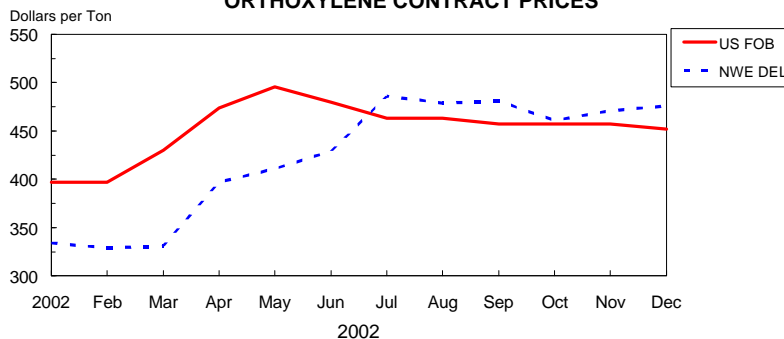
As might be expected, the US phthalic market is slowing down for year-end. Nevertheless, estimates are that total 2002 demand will finish up on last year. Keeping phthalic supply/demand in balance means that average capacity utilisation rates are at around 77-78%.

Pricing in West Europe has remained stable from November into December. While at some accounts a Euro 700/ton price is heard in northwest/central Europe for spot liquid sales, an average Euro 710-720/ton has been noted with Euro 730/ton plus achievable in southern Europe. West European phthalic producers are generally holding flake prices at around Euro 630-640/ton or at least Euro 620/ton plus, with as high as Euro 655-660/ton plus still achievable.

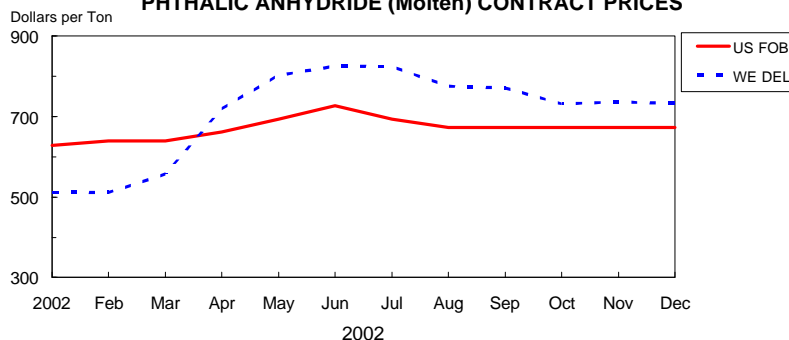
Reports from Asia are of some weakening in phthalic export prices to China, in line with seasonally dull demand. December shipment prices, settled out of Japan early in the month, have been at \$545-565/ton cfr, but Chinese buyer bids are noted at around \$530/ton cfr.

		Nov-02	Dec-02		Dec-02
<b>US PRICES</b>		<i>¢/pound</i>	<i>¢/pound</i>		<i>\$/ton</i>
Orthoxylene	Contract	20.75	20.5	FOB	452
	Spot	19.75-20.0	20.0	FOB	441
Phthalic Anhydride	Contract (Molten)	30-31	30-31	FOB	661-683
	Contract (Flake)	29-31	29-30	FOB	639-661
<b>EUROPEAN PRICES</b>		<i>€/ton</i>	<i>€/ton</i>		<i>\$/ton</i>
Orthoxylene	Contract (NWE)	470	470	DEL	474
	Spot (Rotterdam)	405-415	401-421	FOB	405-425
Phthalic Anhydride	Domestic (Flake)	640-670	625-660	DEL	631-666
	Export (Far East)	No mkt	No mkt	FOB	No mkt
<b>ASIAN PRICES</b>		<i>\$/ton</i>	<i>\$/ton</i>		
Orthoxylene	Taiwan contract	N.A	N.A	FOB	
Phthalic Anhydride	Taiwan Con Flake	600-605	595-600	DEL	
	Spot imports	550-580	540-560	CFR	

**UNITED STATES and WEST EUROPEAN ORTHOXYLENE CONTRACT PRICES**



**UNITED STATES and WEST EUROPEAN PHTHALIC ANHYDRIDE (Molten) CONTRACT PRICES**



**US, WEST EUROPEAN and FAR EASTERN PHTHALIC ANHYDRIDE (Domestic Flake) CONTRACT PRICES**

